

AEE Administrative Building Rent Comparison

Attachment 3

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ENTIRE EXHIBIT REDACTED FOR PUBLIC INSPECTION

AEE Estimate of Moving Costs

Attachment 4

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ENTIRE EXHIBIT REDACTED FOR PUBLIC INSPECTION

Supplemental Information Regarding Cost Reductions
Attachment 5

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Financial Forecast Scenarios

Attachment 6

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Financial Audit Report

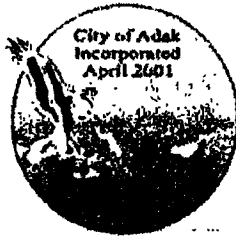
Attachment 7

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ENTIRE EXHIBIT REDACTED FOR PUBLIC INSPECTION

Letters of Support

Attachment 8



City of Adak

P.O. Box 2011 • Adak, Alaska 99546
(907) 592-4500 • Fax: (907) 592-4262

March 27, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

RE: Impact of Recent Universal Service Support in Adak, Alaska

Dear Ms. Dortch:

As the local government for the island and community of Adak, Alaska, on behalf of the City I have begun to educate myself on the changes of Universal Service Support that our community currently receives through our primary telecommunications provider, Adak Eagle Enterprises ("AEE"). As you may be familiar AEE and its affiliate Windy City Cellular ("WCC") provide local exchange, broadband and Internet services in Adak. We are concerned of the impact that recent regulatory changes by the Federal Communications Commission ("FCC") will have on the provision of telecommunications services in our community.

The City is aware that in the FCC's recent *Report and Order* issued November 18, 2011,¹ (referred to as the "*USF/ICC Transformation Order*"), your agency adopted rules that profoundly alter federal Universal Service Fund ("USF") support for carriers that provide telecommunications services in rural, high-cost areas of the country. As you are aware, Adak is one of the most remote, isolated, and climatically inhospitable communities in the United States. The cost of providing modern telecommunications here is commensurately high. Federal USF support has been essential to AEE's ability to provide telecommunications services and access the capital required to install modern telecommunications infrastructure in Adak. This support is critical to provide affordable, modern telecommunications services to the community. The reforms announced by the FCC in the *USF/ICC Transformation Order* will drastically reduce the amount of support the Companies will receive. Due to the extremely high costs of providing services in Adak, the effect of the FCC's new rules will be felt more strongly in the community than any other place in the nation. Unless the Companies are able to obtain waivers of the new rules or the relevant portions of the *USF/ICC Transformation Order* are reversed on appeal, we fear the Companies will not be able to continue to provide service on Adak. We expect that the Companies would collectively be driven into bankruptcy within 12 months, impacting the Rural Utilities Service ("RUS") fund by forcing default on loans extended to AEE. Furthermore, at least six (6) people on Adak Island, comprising of highly skilled individuals, will be terminated which will result in a significant hit to the local economy. This community can ill afford

¹ *In the Matter of Connect America Fund*, WC Docket No. 10-90, et al., Report and Order FCC 11-161, adopted on October 27, 2011 and released on November 18, 2011.

another setback to community development and sustainability. The City and community members have fought over and over for the last five years to fix long standing issues that prevented the growth of the economy of Adak. Over the last 12 months, the City and other entities have worked together more than ever to seek opportunities to develop commerce and community sustainability yet has received more and more pressure from the federal government to overcome obstacles that seem akin to torture. Not only has the FCC, in this order, made severe changes without recognizing the needs of rural Alaska communities, Adak has faced new obstacles and challenges from the National Marine Fisheries Service, seeking to close important fisheries around Adak Island. The United States Department of Transportation is at this time also seeking to impose severe limitations to transportation services by pressuring Alaska Airlines to succumb to a lower performing airline in order to obtain what is an obscure vision of "lower cost".

Adak was originally a Naval Air Facility that closed during the Base Realignment and Closure process in 1997 and was turned over as property to the Aleut Corporation, the area's regional native corporation to develop the island and turn Adak into a community. At the time of transfer the island's basic infrastructure including but not limited the water, sewer, electrical and telecommunications systems were determined to be deficient and in severe need for upgrading. Of all these items, only the telecommunications systems have been upgraded, wholly due to AEE's ability to secure USF funding and RUS loans.

AEE was able to secure approximately \$6.2 million in loans from the United States Department of Agriculture, Rural Utility Service to fund the costs necessary for the provision of adequate and reliable local exchange service, including the establishment of a fiber optic distribution system. AEE, in obtaining these loans, properly considered anticipated USF support revenues. In good measure, RUS conditioned approval of the loans on AEE obtaining waivers to allow it to receive USF funding immediately, rather than with a two-year lag under existing historical cost rules. Therefore, not only were USF revenues considered in planning the needed replacement of facilities on Adak, the government lenders required AEE be able to immediately receive USF support as a condition of providing financing for the necessary replacement of Adak's inadequate telecommunications system. When AEE received the funding in June 2006, the company was able to construct and complete installation by November 2006, an extremely rare feat, especially in rural Alaska. This upgraded system allows for provisioning of advanced services such as 911, E-911 capability, caller ID, call waiting, call forwarding and other advanced services, including Broadband and Internet capacity.

In 2008, WCC began providing cellular telecommunications in Adak after obtaining FCC approval to complete construction and provide service. USF funding was relied upon on to construct and maintain the Downtown cellular tower, a key component of the cellular system. Last summer, WCC constructed a second cellular tower in a location that better expanded service and allowed for the start of triangulation, a key component in being able to expand public safety services in and around Adak Island. To date over \$2 million has been invested in this system without obtaining additional financing, a formidable feat to maintain a balanced leverage ratio. It is important to note that prior to WCC, no cellular service was provided on Adak and though there is another cellular provider on Adak, their service is extremely limited and is not controlled from Adak, rather Dutch Harbor, almost 400 miles away. Furthermore, it should be noted in constructing the second tower at White Alice, WCC employed 10 local people to construct the site and bring it online while also completing the installation in one construction season.

With the recent arrival of Icicle Seafoods in the community, as well as recognizing other opportunities that have begun to materialize on Adak Island, the City has acknowledged that its 911 system needs to be severally improved. The City currently relies on the AEE network to provide switching and routing capabilities to Public Safety staff in order to provide emergency services. The City has reached a point where the existing 911 system has been fully maximized and is not capable of further expansion. To the extent practical, we have sought to integrate WCC's cellular network in order to provide for E-911 services, however the City lacks the institutional knowledge of newer 911 systems.

The staff of the Companies provides above average community service to Adak. It should be noted that their dedication to the community is unparalleled in terms of personal hours and resources dedicated to those less fortunate. The Companies have helped the new City administration, to the extent practical and possible, to become efficient while integrating best telecommunications practices. In 2011, their staff consulted and assisted the City in developing a new corporate network that has allowed the City to internalize server storage, electronic mail as well as provide for secure, automatic, off-site backup in order to ensure continuity of government. They have also begun assisting the City in obtaining proper E-911 equipment in order to provide the best emergency service possible. This service is essential, especially as we are inside of an extremely active volcanic, earthquake and severe weather zone. Due to the severity, there are times the City cannot monitor certain areas of town or its facilities. We have sought to utilize the WCC network to start utilizing remote monitoring, yet efforts to stymie the operations of the Companies threatens to undermine the City's ability to efficiently deploy staff and resources.

Moreover, the City is concerned about the impact of taxpayers in and outside of Adak. While the idea of reduced government subsidies is in everyone's best interest over the long-term, the success of investments should be given a chance to be realized. Given RUS determined that the necessity of USF funding for construction of the AEE telecommunications network, one would assume that elements of the same Federal government would understand the impacts to each other before subjecting those affected to severe situations which would result in ultimate losses to the Federal government. It is reasonable to expect that RUS will not forgive the loans and the FCC will continue to mandate capital expenditures in operating telecommunications networks, yet expects firms to find areas to cut expenditures, expecting firms like the Companies to have overabundance when there is none.

AEE's business plans and financing arrangements were premised on adequate USF support based on AEE's costs. Currently, AEE receives monthly high-cost support of approximately \$1,400.00 per line. The *USF/ICC Transformation Order* adopted regulations providing for a per-line monthly cap of \$250 per line, to be implemented beginning on July 1, 2012 and phased in over a two-year period.

For WCC, the impact is even more dramatic. As a competitive wireless carrier, WCC received support under the so-call identical support rule, which provides support based on the incumbent carrier's (in this case AEE's) costs. The *USF/ICC Transformation Order* eliminates the identical support rule, to be implemented beginning (for Alaska) in two years and phased out over the five year period following. Of more immediate concern, however, is that competitive wireless carriers are subject to capped annual support of \$3,000 annually per-line (equating to \$250 per month), but with no delayed effective date and no phase-in period. Apparently, Adak is the only community in the United States affected by this rule. As a result, it has come to our attention that WCC's disbursements

Federal Communications Commission
Impact of Recent Universal Service Support

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for January 2012, the first month after the effective date of the *USF/ICC Transformation Order*, were only 16 percent of the expected disbursements.

As the Companies have very significant fixed costs associated with the need for extensive investment to provide modern telecommunications to Adak, no amount of cost cutting can bring costs in line with the drastic revenue reduction from the FCC's reforms. Nor can our citizens, AEE's clients, be expected to pay the extreme rates that would be required to make up the shortfall. The City would be unable to afford the service at the extreme rates necessary under the FCC's reforms. If the FCC's reforms set forth in the *USF/ICC Transformation Order* are applied as written, as mentioned previously, the Companies could be driven to bankruptcy within 12 months.

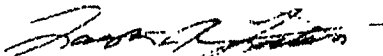
In addition, the City is quite concerned that the order is being processed ambiguously and in selective pieces. Most concerning is that at this point there seems to be no component in funding broadband services until at least 2015. If the Companies cannot survive that long, the mission of this order will be lost on the community of not only Adak, but other communities in Alaska.

In reviewing the Regulatory Commission of Alaska's comments to the FCC, there was mention of the allowance of satellite technology for backup or backhaul capability. As the Regulatory Commission mentioned, most communities in Alaska, including Adak, are only able to utilize satellite technology for telecommunications outside the communities. In fact AEE has attempted to develop a regional fiber optic network that would allow for primary traffic that Adak and other communities could use to connect to other fiber networks. As recently as two years ago a proposal was made and subsequently rejected with no consideration of a partial system. If companies like AEE cannot be allowed to develop these primary alternatives, then the communities are forced to utilize satellite providers, who increasingly are raising rates and moving satellites to areas they decide will generate more profit.

In closing, we support our local Companies in their efforts to obtain waivers of the new rules. If AEE is forced into bankruptcy there is absolutely no guarantee another firm will move into Adak and provide service. When the Adak assets were previously made available to firms like General Communications, Inc. and AT&T Alascom, these carriers declined to take over service in Adak. The City is aware that this same situation is currently occurring on Shemya Island with the potential departure of AT&T Alascom. Consequently, the City is in no position to intervene and operate a telecommunications company and does not have the desire to do so. In either case, the failure of AEE or WCC would result in greater losses to taxpayers than by granting the waivers sought by the Companies.

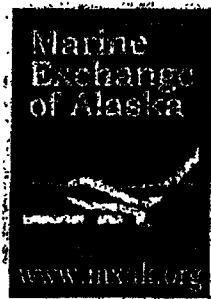
We appreciate your consideration of our comments and thank you for your time. If you have any questions regarding our comments please feel free to contact me at (907) 592-4500.

Sincerely,



Layton J. Lockett
City Manager
City of Adak, Alaska

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Safe, Secure, Efficient and Environmentally Responsible Maritime Operations

1000 Harbor Way, Suite 204, Juneau, Alaska 99801

Ph: (907) 463-2607 Fax: (800) 682-2898

March 28, 2012

Mr. Larry Mayes
President/ CEO
Adak Eagle Enterprises

Ms. Andilea Weaver
Vice President/ COO

Dear Mr. Mayes and Ms. Weaver,

I'm writing to offer my support for Adak Eagle Enterprises LLC dba Adak Telephone Utility ("AEE") and Windy City Cellular LLC in obtaining a reversal of the Federal Communications Commission's "*USF/ICC Transformation Order*" that if implemented will have a serious negative impact on the community of Adak as well as on maritime safety.

The Marine Exchange of Alaska is a non-profit maritime organization that has developed a comprehensive vessel tracking network throughout Alaska to aid safe, secure, efficient and environmentally sound maritime operations. One of our most important vessel tracking AIS (Automatic Identification System) receiving sites in Alaska is located in Adak on the White Alice location. This tracking system is relied on by the Coast Guard, State of Alaska and the maritime community to aid maritime safety and emergency response. The operation of this vessel tracking that tracks vessels up to 100+ miles offshore is very dependent on the power and internet connectivity that AEE and Windy City provide. If the FCC Transformation Order is not reversed for Adak, the future of this vessel tracking system is in jeopardy as is the future of the community itself which certainly is not in the best interests of our country.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Page".

Captain Edward E. Page, U.S. Coast Guard (Retired)
Executive Director
Marine Exchange of Alaska



March 28, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

The Aleut Corporation ("TAC") is a for-profit corporation with approximately 3,410 Alaska Native shareholders primarily of Aleut descent originating in the Alaska Peninsula, Aleutian Islands, Pribilof Islands, and Shumagin Islands of Alaska. TAC is one of Alaska Native Regional Corporations created under the Alaska Native Claims Settlement Act of 1971 ("ANCSA") in settlement of aboriginal land claims. It was incorporated on June 21, 1972 and is headquartered in Anchorage, Alaska.

The island of Adak has had a US military presence since 1942 and, at its peak, had a population of over 6,000 people. Adak Naval Air Station continued to be a military base during the Cold War, but was designated a Base Realignment and Closure ("BRAC") site in 1995 and closed in March 1997. In March 2004, TAC purchased Adak's land and facilities under a land transfer agreement with the Department of the Interior and the U.S. Navy/Department of Defense. TAC also owns a number of subsidiary companies that operate on Adak Island, including a fuel farm with over 20 million gallons of storage, commercial and residential properties, and the Adak Inn (Hotel).

In 2003, TAC asked three mid-size and larger telecommunication organizations to provide service on Adak, but all three organizations declined. Adak Eagle Enterprises LLC ("AEE") now provides Adak Island the modern communications services it needs in order to survive and thrive. Through its affiliate, Windy City Cellular LLC ("WCC"), mobile wireless service is available throughout the island. These services have been made possible through support from the Universal Service Fund ("USF"), and in the case of AEE, a loan from the United States Department of Agriculture Rural Utilities Service ("RUS"). All of TAC's companies rely on the telecommunications services provided by AEE and WCC.

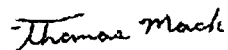
TAC is aware that the Federal Communications Commission ("FCC") adopted an Order to reform the USF rules which went into effect for all wireless carriers in January 2012 and will go into effect for all Wireline carriers in July 2012. As a result of the changes in funding levels prescribed by this Order, TAC has been informed by AEE and WCC that each company will have to stop all new projects and that it is likely that WCC will be out of business within six months and AEE will cease operations within two years unless each is granted a waiver by the FCC.

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Without a waiver, the consequences of the FCC Order on AEE and WCC will be felt by nearly the entire island of Adak, including TAC and its subsidiaries, and critical government entities including the U.S. Fish and Wildlife Service, The City of Adak, the Marine Exchange (which is responsible for monitoring fishing vessels in the Bering Sea and the Pacific Ocean), the USGS Albuquerque Seismological Laboratory, and the Alaska Volcano Observatory, as well as government contractors, tourists, hunters, and fishermen. The overall safety, growth and economic development of this remote island will be jeopardized.

Adak is a very young, rural community that needs substantial help to grow in order to off-set the high cost of operating in such a remote area with extreme weather conditions. We respectfully urge the FCC to please take into consideration the unique factors involved in servicing an area like Adak and to grant the requested waivers to AEE and WCC. These waivers will allow the Adak community to continue to have access to the reliable telecommunications services that are necessary for it to grow and be safe.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Mack".

Thomas Mack, President
Aleut Corporation

Adak Community Development Corporation

April 20, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: USF/ICC Transformation Order - Impact on the community of Adak AK

Dear Ms. Dortch,

The Adak Community Development Corporation ("ACDC") is a non-profit corporation dedicated to the development of seafood harvesting and processing infrastructure for the community of Adak. Adak Island is the most westerly community in the state of Alaska. Our remote location makes it extremely challenging to foster economic development or to survive as a community.

One of the key infrastructure elements necessary for a viable seafood industry is internet and telecommunication access to the outside world.

Adak Eagle Enterprises LLC ("AEE") now provides Adak Island the modern communications services it needs in order to survive and thrive. Through its affiliate, Windy City Cellular LLC ("WCC"), mobile wireless service is available throughout the island. These services have been made possible through support from the Universal Service Fund ("USF"), and in the case of AEE, a loan from the United States Department of Agriculture Rural Utilities Service ("RUS").

The fishing industry relies on the telecommunications services provided by AEE and WCC. At the most basic level in the seafood business, because of the federal government's mandatory requirements for electronic reporting, the local fish processing plant can't even legally operate without internet access.

ACDC has learned that the Federal Communications Commission ("FCC") adopted an Order to reform the USF rules which went into effect for all wireless carriers in January

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2012 and will go into effect for all Wireline carriers in July 2012. As a result of the changes in funding levels prescribed by this Order, ACDC has been informed by AEE and WCC that each company will have to stop all new projects and that it is likely that WCC will be out of business within six months and AEE will cease operations within two years unless each is granted a waiver by the FCC.

Universal access to telecommunications and the internet is a longstanding principle that is critical to integrating small remote communities like ours into the modern economy. The FCC should not abandon this principle of support for equal access through the USF.

Federal USF support has been essential to AEE's ability to provide telecommunications services and access the capital required to install modern telecommunications infrastructure in Adak. This support is critical to provide affordable, modern telecommunications services to the community.

The reforms announced by the FCC in the USF/ICC Transformation Order will drastically reduce the amount of support the Companies will receive. Due to the extremely high costs of providing services in Adak, the effect of the FCC's new rules will be felt more strongly in our community than any other place in the nation.

Unless the local providers are able to obtain waivers of the new rules or the relevant portions of the USF/ICC Transformation Order are reversed on appeal, we fear the local service providers will not be able to continue to provide service on Adak. We expect that the local service providers would collectively be driven into bankruptcy within 12 months, impacting the Rural Utilities Service ("RUS") fund by forcing default on loans extended to AEE.

Without a waiver, the consequences of the FCC Order on AEE and WCC will be felt throughout the economy of the entire Adak community. The overall safety, growth and economic development of this remote island will be jeopardized.

Adak is a struggling, rural community that needs substantial help to grow in order to off-set the high cost of operating in such a remote area with extreme weather conditions. We respectfully urge the FCC to please take into consideration the unique factors involved in servicing an area like Adak and to grant the requested waivers to AEE and WCC. These waivers will allow the Adak community to continue to have access to the reliable telecommunications services that are necessary for it to grow and be safe.

We support our local service providers in their efforts to obtain waivers of the new rules. If AEE is forced into bankruptcy there is no assurance another firm will move into Adak to provide service. When the Adak assets were previously made available to firms like

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General Communications, Inc. and AT&T Alascom, these carriers declined to take over service in Adak.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Koso", written in a cursive style.

Rick Koso
Vice President
Adak Community Development Corporation
P.O. Box 1943
Adak AK, 99546

Cc:

Senator Lisa Murkowski
Senator Mark Begich
Congressman Don Young



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United States Department of the Interior

FISH AND WILDLIFE SERVICE
Alaska Maritime National Wildlife Refuge
95 Sterling Highway, Suite 1
Homer, Alaska 99603



Marlene H Dortch
Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

Dear Ms. Dortch,

I am writing to you concerning recent changes to the Universal Services Fund rules and how it might affect our operations out of remote Adak, Alaska.

The Alaska Maritime National Wildlife Refuge includes 2500 islands and headlands along much of Alaska's coast, including the Aleutian Islands. Encompassing 3.5 million acres, the refuge is home to 40 million nesting seabirds and much other wildlife. The headquarters for the refuge is in Homer, Alaska, but we maintain a critical forward operating base in Adak including multiple buildings, housing, supplies, communications equipment, and one year-round staff member plus many employees intermittently working out of Adak. As part of refuge operations, we operate a 120 foot research vessel from May – September and we also operate multiple remote field biology sites, monitoring and studying seabirds and other wildlife. Adak serves as our hub for all work in the Aleutians involving hundreds of researchers, technicians and crew. Our lone employee stationed continuously at Adak serves as our safety coordinator for field operations across the refuge, along with performing many other functions. All of our remote field camps perform mandatory safety checks through our Adak office. Field camps receive weather forecasts, tsunami warnings, and volcano warnings through Adak. Field camps file float plans to Adak for all small boat operations, including reports of their safe return following the boating operation.

Having telephone service, cell phone service, and internet service available on Adak is of extreme value to the refuge. The communications allowed by these technologies allow our ship and field camps to operate safely and effectively in this remote area, plus allow coordination with staff in our Homer office.

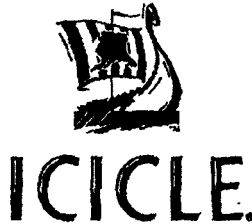
Thank you for all you have done and continue to do to make our communication center at Adak successful.

Sincerely,

Steve Delehanty
Refuge Manager

SEWARD FISHERIES

division of
ICICLE SEAFOODS, INC.
P.O. BOX 8
SEWARD, ALASKA 99664
(907) 224-3381
Fax (907) 224-3285



April 25, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, WA
Room TW-A325
Washington, DC 20554

RE: Impact of Recent Universal Service Support in Adak, Alaska

Dear Ms. Dortch:

Icicle Seafoods, Inc. is aware that your agency recently adopted rules that alter federal support for carriers that provide telecommunications services in rural, high-cost areas such as Adak. Our company relies on the telecommunications services provided by Adak Eagle Enterprises LLC as well as the Windy City Cellular LLC and will be severely and adversely impacted without those services.

We are all too aware of the extreme high costs associated with doing business in Adak and believe that Federal USF support is essential to the telecommunications infrastructure in Adak. In the past 3-5 years the fishing regulatory agencies have instituted and require electronic reporting regulations, we communicate through e-mail with our fishing vessels, have an inter-plant cellular system, etc. In this day and age, it would be impossible to conduct business without a viable communication system.

We support the Adak local service providers in their effort to obtain waivers of the new rule and appreciate your consideration. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

ICICLE SEAFOODS, INC.

A handwritten signature in black ink, appearing to read "Melody Jordan".

Melody Jordan
Adak Plant Manager
(907) 592-3474 – Adak Plant
(907) 362-1141 – Cell Phone

HOME OFFICE

4019 21ST Avenue West • Seattle, WA 98199
P.O. Box 79003 • Seattle, WA 98119 • Tel: 206-282-0988 • Fax: 206-282-7222



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3380 C Street, Ste. 100, Anchorage, Alaska 99503
(907) 277-1440 * Fax (907) 277-1446
eatribes.Org

April 26, 2012

Marlene H Dortch, secretary
Federal Communications Commission
Office of the secretary
445 12th St. SW.
Room TW a 3 to 5
Washington, DC 20554

Eastern Aleutian Tribes is a nonprofit tribal health organization servicing all the tribal members and non-tribal members of the Adak community. Our service area is one of the largest of any health organization in the nation encompassing the entire Alaska Peninsula and Aleutian Islands extending from Anchorage all the way to the Eastern Hemisphere, more than 1900 miles of area.

One of the specific communities which we serve is the island of Adak. This island used to have a US military presence since 1942 during World War II. At its peak it had a population over 6000 people. As Adak Naval Air Station it continued to be a military base during the Cold War but was realigned during the base realignment and closures in 1995 and was completely closed in March 1997. Seven years later in 2004 the Aleut Corporation purchased Adak Island's land facilities and other land infrastructure improvements from the Department of the Interior and the U.S. Navy Department of Defense

In 2003 recognizing the critical need for telecommunications in the region, Adak Eagle Enterprises LLC stepped up and began providing modern communication services needed for this small community. Through its affiliate Windy City cellular, they also provide wireless mobile telephone service to the community. All these telecommunication services have been made possible through support from the Universal service fund and a loan from United States department of agricultural rural utility services (RUS).

We have become aware that the Federal Communications Commission has adopted an order to reform the USF rules which went into effect for all wireless carriers in January 2012 and will go into effect for all wireline carriers in July 2012. As a result of these changes in the funding levels program proposed by this order it will be impossible for Adak Eagle Enterprises and Windy City cellular to continue providing

"Eastern Aleutian Tribes has the healthiest people in the Nation"
Adak * Akutan * Cold Bay * King Cove * Nelson Lagoon * Sand Point * Whittier

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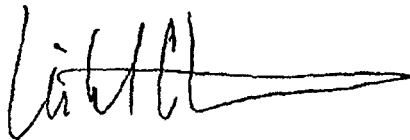
service and they will be without other support funding and will likely go out of business within 5 to 6 months following these changes.

We believe that a waiver is critical so that the consequences of the FCC order will not be felt in Adak. Should Adak Eagle Enterprises and Windy City cellular be unable to continue provision of telephone and cellular telephone service in the island of Adak critical government entities including the Fish and Wildlife Service, the Marine exchange, United States Albuquerque seismological laboratory, the Alaska Volcano Observatory, and other government agencies will be forced to close.

Eastern Aleutian tribes would have an immediate impact should this occur. It would be impossible for us to continue to provide the quality healthcare service which we currently allow in the community without critical telephone and cellular infrastructure support. Because of the great distance between Adak Island and Anchorage Alaska where the primary hospital our patients are seen in, we utilize extensively TeleVideo and telephonic communication tools. Without these tools, critical communication between physicians, the hospital, and our clinic would be severed we would be forced to go to a much more expensive satellite telecommunication process which would raise costs to the point of creating such a disparity that we would be forced to close the clinic.

We urgently and respectfully request the FCC to take into consideration the unique and critical factors involved in servicing an area like Adak with telecommunication services. We support the FCC granting the requested waivers to Adak Eagle Enterprises and Windy City cellular in order that they can continue to provide for our clinic and the community of Adak critical telephone and cellular telephone support.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Christiansen", with a long horizontal line extending to the right.

Michael Christiansen

CEO, executive director

Eastern Aleutian tribes



July 31, 2012

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109; Universal Service Reform – Mobility Fund, WT Docket No. 10-208

Dear Ms. Dortch:

This letter is sent to express the support of the National Telecommunications Cooperative Association (“NTCA”) for a grant of the waiver petition filed by Adak Eagle Enterprises LLC (“AEE”).

AEE has demonstrated in its petition the threats to its ongoing operations that would arise by strict application of the new rules. As AEE noted in its July 2, 2012 Reply Comments in the above-referenced proceeding, there appears to be no opposition to the AEE petition for a waiver of the \$250 per line per month cap on federal Universal Service Fund (“USF”) support. To the contrary, federal governmental agencies, elected officials, commercial enterprises, and several others have expressed concern on the record about the degradation and ultimate failure of AEE’s critical services in the absence of a waiver. Although General Communications, Inc. (“GCI”) has asserted that it may be positioned to offer wireless services on Adak Island in the event that AEE ceases to provide service, as AEE highlights, GCI’s statements to that effect are presented as conditional in nature and do not appear to provide sufficient assurance that service will be sustained in this remote, hard-to-serve location. *See* Reply Comments of AEE, WC Docket No. 10-90, *et al.* (filed July 16, 2012), at 2-3 and n.2. AEE also notes that, at bottom, GCI’s services are “dependent on AEE facilities and infrastructure.” *Id.* at 4 and n. 10.

Marlene H. Dortch
July 31, 2012
Page 2 of 2

Moreover, it appears that GCI may need (or would at least desire) regulatory relief, in the form of relaxed restrictions on competitive eligible telecommunications carrier (“CETC”) support, to sustain operations across the island. *See* Comments of GCI, WC Docket No. 10-90, *et al.* (filed July 2, 2012), at n. 2 (“ . . . [B]ecause GCI would have sole responsibility for all ETC service on Adak, it would also make sense to remove Adak Island from the Remote Alaska CETC cap, were AEE to cease operations.”) Indeed, GCI appears to indicate that, to deploy and maintain service as a replacement for AEE, it would need to receive at least \$250 per line per month in support that is incremental to whatever it receives today as a CETC. *See id.* at 2 (“GCI could provide Adak Island with largely comparable USF-supported services for no more than the total amount of high-cost support that would otherwise flow to GCI as a wireless CETC and to AEE subject to the \$3000 per line cap . . .”) (emphasis added). Thus, GCI’s path to serve as a replacement for AEE on Adak seems premised upon not only the investment, deployment, and/or acquisition of additional facilities and equipment that GCI does not yet possess or have in place today, but also several additional regulatory measures that would require incremental funds to flow to GCI.

Universal service is far too important a concept to leave to speculative claims about what *might* be done in the event a carrier of last resort (“COLR”) disappears, what *might* be built or bought if that COLR goes out of business, or what areas *might* be covered if they are no longer covered by the COLR. Universal service is a statutory mandate, and the Federal Communications Commission (the “Commission”) cannot and should not take a leap of faith with respect to a party’s purported *potential* capability to fill the gap as a COLR – particularly in an area as remote as Adak. Instead, based upon the firm evidence presented in AEE’s waiver petition and in light of the comments filed by the many stakeholders who have no interest in this matter other than preserving universal service on Adak, the Commission should grant the AEE petition.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Michael R. Romano
Michael R. Romano
Senior Vice President – Policy

REDACTED - FOR PUBLIC INSPECTION

-----Original Message-----

From: John Paskievitch [mailto:jpaskie@usgs.gov]
Sent: Friday, July 27, 2012 2:18 PM
To: Mike Eickhoff
Cc: Larry Mayes; Andilea Weaver
Subject: Cell Phone service

Mike,

I want to thank you again for providing cell service in and around Adak. We were happily surprised to find there was good coverage to the island west (Kanaga). Communications is key to our fieldwork and to the safety of our staff. Our safety protocol requires us to call in our helicopter landings, takeoffs, and flight plans to a centrally based operator. Flights are tracked this way throughout the day. It was great to be able to depend on a very reliable cell network instead of having to contend with an often poor and inconsistent satellite-based phone system. We truly appreciate the White Alice site and the extended coverage it provides.

Thanks,
John Paskievitch
(907) 632-2277

Adak Police Department

Report # 20130102

On January 13 2013 at approximately 1900 hours I received a 911 call from Ivan Hodes. Ivan stated he had gone skiing at 1200 hours on the north side of Mount Moffett when a blizzard with white out conditions started. He got turned around, and did not know where he was all he knew he was in a ravine with water to one side of him and a tower on the other side of that. Then the phone disconnected. Ivan called back; he was advised to go to hire elevation to see if he could give us a better location. A search and rescue party was formed and went out to look for Ivan. When Ivan called back the reception was in and out due to weather conditions. The airport runway lights were activated to use as a beacon for Ivan to get his bearings so he could give us a better directions to find him. Ivan called back seeing the lights headed toward town. I noticed that every time he called the 911 phone during the process the signal got better. After five hours Ivan arrived at the White Alice phone tower sight with great cell service and was able to call the 911 line once again, and inform the search party of his exact location. Ivan was retrieved from the blizzard without injury. In my opinion the White Alice cell sight added in the recovery of Ivan Hodes. Without the White Alice Cell sight Ivan would not have had cell phone service, and could not have made the 911 call.



Chief Darrell E. Tannehill Jr.

Adak Police Department

P.O. Box 2043 Adak AK. 99549

(907)592-3323

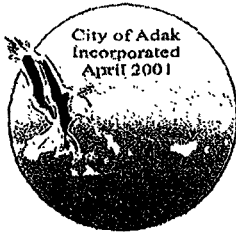
Adak Police Department

To: FCC

In relation to the cell service on Adak Island there are large areas where we have no cellular coverage. We as a community have evaluated this and have found from a public safety standpoint that we need more cellular towers to give us the coverage to render services to our public in emergency situations. We have people from all over the world that come to the island for work and recreation and do not know the hazards the area possesses. The weather is unpredictable and the terrain is harsh. More cellular towers would greatly enhance the 911 system and coverage area over the island so aid can be rendered in every emergency situation.

Thank you


Chief Darrell E. Tannehill Jr.



City of Adak

P.O. Box 2011 • Adak, Alaska 99546
(907) 592-4500 • Fax: (907) 592-4262

February 25, 2013

Windy City Cellular
Attn: Larry Mayes
1410 Rudakof Circle
Anchorage, Alaska 99508

RE: White Alice Site

Dear Mr. Mayes:

This purpose of this letter is to convey our viewpoint of the importance of the "White Alice" cellular tower site as part of the Windy City Cellular ("WCC") on-island network. We recognize that WCC is under challenge from the Federal Communications Commission ("FCC") and understand that there is confusion as to whether or not certain assets are integral to the quality of life for our citizens.

We feel the WCC network is integral for a number of reasons, most importantly, due to the City's reliance on the network for our emergency communications system. As you know our dispatch phones for the system operate not only on the Adak Telephone Utility network but also the capabilities of the WCC system. It should be duly noted that in the neighborhood where the Chief of Police and City Manager reside, the only quality service comes from the White Alice cellular tower, with a noticeable change in quality when the tower goes offline.

On January 13, 2013 we received a call through the 911 system requesting assistance from someone who had been skiing at the old ski range and had gotten lost. The person, a roaming customer of the WCC network, was able to easily connect through the system to reach us, which was originating and terminating in an area where no other carrier either provides service or is severely degraded..

After several hours of searching we received a call that he had reached the White Alice site, only after seeing the light and building from the ravine to which he had skied into. We estimate that he hiked approximately 600 feet to the apex of the site, in a blizzard, as he was guided by the security lighting of the site. He was able to take shelter in the area of the building and identify his location, to which we rescuers were able to retrieve him in less than five minutes. Had the White Alice site not been operable, or in existence, we would not have been able to find him in a timely manner.

A number of visitors roam on the WCC network, which provides a continuity of operations for a lot of the contractors that operate on Adak. This summer the main contracting work will be in a location only served by the White Alice tower. The range of the network furthermore allows us to more easily respond to calls as it allows us the ability to ascertain which cellular tower the call is originating from, integral in the event someone is lost and unfamiliar to the surroundings. We are aware that the local competitor has no capability to provide service outside the core area with severe degradation in certain neighborhoods and key areas.

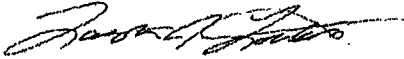
REDACTED - FOR PUBLIC INSPECTION

Windy City Cellular
RE: White Alice Site

February 25, 2013
Page 2

Please feel free to contact me if you have any additional questions regarding our viewpoints of the WCC network and White Alice tower.

Sincerely,

A handwritten signature in black ink, appearing to read "Layton J. Lockett", with a stylized flourish extending from the end.

Layton J. Lockett
City Manager

Letter From Clesson Zaima

Attachment 9

Clesson Zaima
P. O. Box 1874
Adak, Alaska 99546

April 12, 2013

RE: GCI Cell Phone Plan

To whom it may concern:

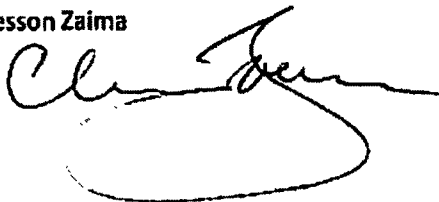
I live on Adak Island, in Alaska. I signed up for a GCI cell phone promotion presented to Adak, Alaska residents in 2011. Under the contract terms, I paid \$5 per phone per month for a total of five phones paying \$60 per month, for a two-year contract. In return I received 250,000 Alaska Airline miles, and received unlimited text and calls. Alaska Airlines provides the only flight service to Adak, Alaska, and round trip tickets from the island cost on average over \$1,000. Because airline tickets are so expensive, I purchased the 5 phone lines in order to receive the 250,000 airline mileage.

Although I purchased a plan with 5 phones, I only used 2 of the 5 phones. Recently I received a text message from GCI that my contract has expired and the original terms will no longer be honored. I called GCI to find out more information on the expired contract and what my options were. I was told that I have to activate all 5 phones in order to keep the service on the two phones that I currently use for my personal use and for my business. Even though the original contract is expired, I was told that I must use all 5 phones or I am not allowed to receive any phones. I was also told that starting immediately, I will be charged \$50 per phone per month, until a representative of GCI arrives on Adak Island to sign a new contract and agree to new terms. So, my bill has gone up from \$60 per month for 5 phones, to \$250 per month for 5 phones. Although I would rather have a contract for only 2 phones from GCI, GCI will not let me do that – they will only let me purchase a package of 5 phones. The terms of the new contract will be explained to me by the representative upon his arrival on Adak, Alaska. I do know that I will be receiving more airline miles for the 5 GCI phones.

I also wanted to mention that GCI does not provide good service on Adak Island. I can only use the GCI phones in certain parts of downtown, but not in all parts of downtown, and not in other parts of the island. Because of this, I also signed up for one phone line through Windy City Cellular, which provides service everywhere on the island that I go, including all of downtown and the outer areas. Windy City Cellular charges \$40 a month per line, and I am not forced to purchase more than a one phone contract.

Sincerely,

Clesson Zaima

A handwritten signature in black ink, appearing to read 'Clesson Zaima', with a large, sweeping flourish underneath.

Declaration of Andilea Weaver

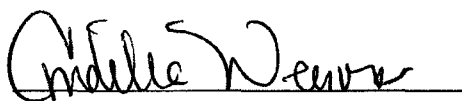
Attachment 10

DECLARATION OF ANDILEA WEAVER
ADAK EAGLE ENTERPRISES, LLC AND WINDY CITY CELLULAR, LLC

I, Andilea Weaver, declare the following is true and correct to the best of my knowledge and belief:

I am the Chief Operations Officer of Adak Eagle Enterprises, LLC and Windy City Cellular, LLC. I have reviewed the Ex Parte Notice and attachments and attest, under penalty of perjury, that the facts contained therein are known to me and are accurate.

Executed on this 12th day of April 2013.

A handwritten signature in black ink, appearing to read "Andilea Weaver", is written over a horizontal line.

Andilea Weaver
Chief Operations Officer
Adak Eagle Enterprises, LLC and
Windy City Cellular, LLC